

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

SB 1916 – HB 1420

May 11, 2010

SUMMARY OF AMENDMENTS (005434, 017130): Amendment 005434 includes licensed professional engineers, their employees and subcontractors, and registered architects in the regulatory provisions of the bill. Amendment 017130 deletes the definition of “board” from the bill and replaces each occurrence with “commissioner” wherever it appears. Changes the effective date of the bill from January 1, 2010, to July 1, 2011. Deletes “professional soil scientist prior to January 1, 2010,” from Section 9(b) of the bill and replaces it with “professional soil scientist prior to July 1, 2011. Requires the Commissioner of Commerce and Insurance to consider all operating cost reductions that are suggested by the advisory committee in establishing recurring and non-recurring fees. Authorizes the Commissioner to appoint a five-member advisory committee to be administratively attached to the Division of Regulatory Boards. The members of this committee will not receive payment or reimbursement of travel expenses. Establishes a sunset date of June 30, 2011, for the soil scientist advisory committee.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State revenue - \$81,800/One-Time/Board of Examiners of Land Surveyors
\$144,000/Biennially/Beginning FY11-12/Board of Examiners
of Land Surveyors
Increase State Expenditures - \$9,800/One-Time/Board of Examiners of Land Surveyors
\$72,000/Recurring/Board of Examiners of Land Surveyors
Increase Local Revenue – Not Significant
Increase Local Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

On May 10, 2010, we issued a fiscal memorandum indicating an *increase in state revenue for FY11-12 of \$151,800 and \$137,800 biennially beginning FY13-14 and an increase in state expenditures in FY11-12 of \$82,900 and \$68,900 beginning in FY12-13 to the Board of Examiners of Land Surveyors*. Upon further review of the amendment it was determined that a new Commissioner Regulatory Program would be established and these monies would be funds dedicated to the Tennessee Soil Scientist Licensing Program. Therefore, the fiscal impact of the bill is as follows:

SB 1916 – HB 1420 (CORRECTED)

(CORRECTED)

Increase State Revenue - \$151,800/FY11-12/Tennessee Soil Scientist Licensing Program

\$137,800/Biennially/Beginning FY13-14/Tennessee Soil Scientist Licensing Program

Increase State Expenditures - \$82,900/ FY11-12/Tennessee Soil Scientist Licensing Program

\$68,900/FY12-13 and Subsequent Years/Tennessee Soil Scientist Licensing Program

Increase Local Revenue – Not Significant

Increase Local Expenditures – Not Significant

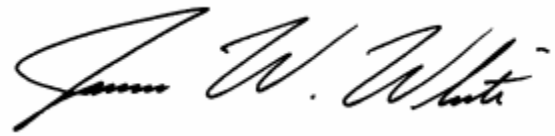
Assumptions applied to amendments:

- According to the Department of Commerce and Insurance, the Tennessee Soil Scientist Program (Program) will require one position for the processing of applications, issuance of licenses, confirmation of initial and continuing education requirements, and compliance inspections. The one-time increase in expenditures is estimated to be \$14,000 (\$1,000 computer costs + \$2,000 office landscaping + \$5,000 computer programming modifications + \$1,000 for modifications + \$5,000 rule making hearing).
- The recurring increase in state expenditures is estimated to be \$68,882 (\$37,300 salary + \$12,682 benefits + \$14,200 administration + \$1,700 office lease + \$1,000 communication and supplies + \$2,000 network and computer replacement fees).
- Total increase in expenditures for FY11-12 is estimated to be \$82,882 (\$14,000 one-time costs + \$68,882 personnel costs.)
- Fees will be established by the Program to cover all expenditures. In order to cover all expenditures for FY11-12, fees will need to be established at an amount sufficient to cover expenditures for FY11-12 and FY12-13 as the fees are payable every two years. Total revenue necessary for FY11-12 and FY12-13 is \$151,764 (\$14,000 one-time costs + \$68,882 FY11-12 personnel costs + \$68,882 FY12-13 personnel costs). Total revenue necessary for FY12-13 and biennially thereafter is \$137,764 (\$68,882 x 2 years).

- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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